



*Office of the United States Attorney
District of Arizona*

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SIXTEEN COUNT INDICTMENT RETURNED IN TAX FRAUD CASE

PHOENIX Ariz.-- A federal grand jury in Phoenix, Arizona returned a 16 count indictment against John Andrew Jennings, 37 years old, of Phoenix, Arizona, for separate violations of Filing False Claims for Tax Refunds for the years 2000 through 2003 with the Internal Revenue Service.

The indictment alleges that Jennings electronically filed tax returns for the years 2000 through 2003 for himself, family members, and friends. Each of the tax returns listed fraudulent dividend income from mortgage companies. The tax returns also included fraudulent income tax withholdings on the alleged dividends. As a result, each of the tax payers' returns made a claim for a fraudulent tax refund. The indictment lists the total amount of false claims as \$210,778. Some of the money was paid by the government before the fraud was detected. The indictment alleges that in most cases, Jennings arranged to have the refunds deposited into bank accounts from which he could get the funds. In other cases, Jennings provided tax documents to his friends who were duped into cooperating with him. He used the fraudulently obtained refunds for his own purposes. A warrant has been issued for Jennings arrest.

Paul K. Charlton, United States Attorney for the District of Arizona, remarked, "The Tax Code is designed for voluntary compliance by citizens. When individuals take advantage of the system by filing for tax refunds based on fraudulent information, they commit a crime for which it is appropriate that they should be prosecuted and punished."

Debra King, Special Agent in Charge, IRS Criminal Investigation Phoenix Field Office noted, "Refunds are issued to taxpayers who are entitled to them. IRS Criminal Investigation will continue to aggressively pursue those who file false tax returns to claim refunds for which they are not entitled."

Upon a conviction, each count of Filing False Claims Against the Government carries a maximum penalty of five years imprisonment, a \$250,000.00 fine or both. After a conviction, when determining the actual sentence, a federal judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by Special Agents of the Internal Revenue Service. The prosecution is being handled by Richard I. Mesh, Assistant U.S. Attorney, District of Arizona, Phoenix, Ariz.

CASE NUMBER: CR-06-0338- PHX
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